AF13621

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:	§	Group Art Unit: 3621
Dutta	§	
	§	Examiner: Hewitt II, Calvin L.
Serial No.: 09/726,272	§	
	§	Attorney Docket No. AUS920000650US1
	§	
Filed: November 30, 2000	§	
	§	IBM Corporation
Title: System and Method for Third Party	§	Intellectual Property Law Dept.
Logging Server	§	11400 Burnet Road
	§	Austin, Texas 78758
	§	

APPELLANT'S BRIEF (37 CFR § 41.37)

Mail Stop Appeal Brief-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

A. INTRODUCTORY COMMENTS

This brief is filed in support of the previously filed Notice of Appeal, filed in this case on November 9, 2004, which appealed from the decision of the Examiner dated August 9, 2004 finally rejecting claims 37-72. Please charge the required fee under 37 CFR § 41.20(b)(2) to IBM Corporation Deposit Account No. 09-0447.

No extension of time is believed to be necessary. If, however, an extension of time is required, the extension is requested, and the undersigned hereby authorizes the Commissioner to charge any fees for this extension to IBM Corporation Deposit Account No. 09-0447.

B. REAL PARTY IN INTEREST

The real party in interest in this appeal is International Business Machines Corporation, which is the assignee of the entire right, title, and interest in the above-identified patent application.

C. RELATED APPEALS AND INTERFERENCES

With respect to other prior or pending appeals, interferences, or judicial proceedings that are related to, will directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal, there are no such prior or pending appeals, interferences, or judicial proceeding known to Appellant, Appellant's legal representative, or assignee.

D. STATUS OF CLAIMS

1. Total number of claims in application

There are 36 claims pending. Three claims are independent claims (37, 49, and 61), and the remaining claims are dependent claims.

2. Status of all claims in application

- Claims canceled: 1-36
- Claims withdrawn from consideration but not canceled: None
- Claims pending: 37-72
- Claims allowed: None
- Claims rejected: 37-72

3. Claims on appeal

The claims on appeal are: 37-72.

E. STATUS OF AMENDMENTS

All amendments have been entered in this case. No amendments have been made to the claims after the Final Office Action.

F. SUMMARY OF CLAIMED SUBJECT MATTER

Appellant provides a concise summary of the claimed subject matter as follows. Note that claims 37-48 are method claims, claims 49-60 are information handling system claims, and claims 61-72 are computer program product claims. Independent claims 49 and 61 include means plus function limitations that correspond to the method steps set forth in independent claim 37. An information handling system capable of implementing Appellant's invention, as claimed in independent claim 49, is shown in Figure 7, and described in Appellant's specification on page 18, line 26 through page 20, line 9. Support for independent computer program product claim 61 is described in Appellant's specification on page 20, lines 10-27. In addition, support for each of the method steps and means plus function limitations of the independent claims are discussed below.

The claimed invention is a method, information handling system, and computer program product that obtains, at a third party logging server, a plurality of digital works from a plurality of provider computer systems (see, e.g., Fig. 2, elements 280, 288, 248, and 208; page 8, line 4 through page 11, line 18), stores the received digital works on a nonvolatile storage device accessible from the third party logging server (see, e.g., Fig. 2, element 208; page 8, line 4 through page 11, line 18), receives, at the third party logging server, a product sale request from a merchant computer system, wherein the product sale request is received over a computer network (see, e.g., Figure 1, elements 130, 140, 100, 150, and 170; page 7, line 8 through page 8, line 3), transmits, from the third party logging server through the computer network to the merchant computer system, one or more of the digital works, wherein the merchant computer system is adapted to provide the transmitted digital works to one or more customer computer systems (see, e.g., Figure 2, elements 208, 228, 268, and 260; page 8, line 4 through page 11, line 18; Figure 5, element 580; page 16, line 12 through page 17, line 19), and records, at the third party logging server, a sales record corresponding to the product sale request (see, e.g., Figure 2, elements 260, 272, 232, and 212; page 8, line 4 through page 11, line 18).

Support for each of Appellant's means plus function limitations set forth in dependent claims is provided below. Note that general support for an information handling system and computer program product is discussed above. The specific citations to Appellant's Figures and Specification are meant to be exemplary in nature, and do not limit the scope of the claims, as provided under 35 U.S.C. § 112, sixth paragraph.

Claims 50 and 62 include the following means plus function limitation:

means for registering a merchant corresponding to the merchant computer system with the information handling system, the registration including an agreement with the merchant regarding use of the digital works and payment for receipt of the digital works, wherein the registration occurs before the performance of the means for receiving, the means for transmitting, and the means for recording. (See, e.g., Fig. 2, elements 260, 264, 224, and 204; page 8, line 4 through page 11, line 18).

Claims 51 and 63 include the following means plus function limitation:

means for providing the merchant computer system with an authentication mechanism in response to the registration of the merchant; (See e.g., Fig. 4, element 420; page 13, line 26 through page 16, line 11).

means for authenticating the merchant computer system using the authentication mechanism prior to the transmission of digital works to the merchant computer system from the information handling system. (See, e.g., Figure 4, elements 405, 410, 460, and 430; page 13, line 26 through page 16, line 11).

Claims 52 and 64 include the following means plus function limitation:

means for sending a plug-in software module for installation on the merchant computer system, the plug-in software module adapted to notify the information handling system whenever a customer purchases one of the digital works from the merchant computer system (See, e.g., Fig. 4, element 425; page 13, line 26 through page 16, line 11; Figure 5; page 16, line 12 through page 17, line 19).

means for receiving, from the merchant computer system, a notification that one or more of the digital works has been purchased from the merchant computer system, wherein the means for recording of the sales record corresponding to the product

sale request is performed in response to receiving the notification. (See, e.g., Fig. 5, element 550; page 16, line 12 through page 17, line 19; Fig. 2, elements 272, 232, and 212; page 8, line 4 through page 11, line 18).

Claims 55 and 67 include the following means plus function limitation:

means for identifying a royalty rate corresponding to the digital work identifiers (See, e.g., Fig. 4, element 435; page 13, line 26 through page 16, line 11; Fig. 5, elements 560 and 570; page 16, line 12 through page 17).

means for calculating a purchase amount based upon the royalty rate (See, e.g., Fig. 5, elements 560 and 570; page 16, line 12 through page 17).

means for including the purchase amount in the sales record (See, e.g., Fig. 5, elements 560 and 570; page 16, line 12 through page 17).

Claims 56 and 68 include the following means plus function limitation:

means for preparing a billing statement that includes the sales record (See, e.g., Fig. 4, elements 444 through 455; page 13, line 26 through page 16, line 11).

means for providing the billing statement to the merchant (See, e.g., Fig. 4, elements 444 through 455; page 13, line 26 through page 16, line 11).

Claims 57 and 69 include the following means plus function limitation:

for each of the provider computer systems, means for registering a provider corresponding to the provider computer system with the information handling system, the registration including an agreement with the provider regarding use of the digital works and payment for use of the digital works by merchants, wherein the registration occurs before the performance of the means for obtaining and the means for storing. (See, e.g., Fig. 4, elements 410, 415, and 420; page 13, line 26 through page 16, line 11).

Claims 58 and 70 include the following means plus function limitation:

means for identifying a set of one or more providers from the plurality of providers from which the digital works sold by the merchant were obtained (See, e.g., Fig. 6; page 17, line 20 through page 18, line 25).

means for determining a royalty amount for each of the identified providers (See, e.g., Fig. 6, elements 620 and 630; page 17, line 20 through page 18, line 25).

means for preparing a royalty statement to the identified providers, the royalty statement including the royalty amount (See, e.g., Fig. 6, element 640; page 17, line 20 through page 18, line 25).

means for electronically sending the royalty statements and funds corresponding to the royalty amounts to the providers (See, e.g., Fig. 6, elements 650 through 670; page 17, line 20 through page 18, line 25).

Claims 59 and 71 include the following means plus function limitation:

means for sending the product sale request from the merchant computer system to the information handling system in response to a customer requesting to purchase the digital works from the merchant computer system (See, e.g., Fig. 4, elements 460 and 430; page 13, line 26 through page 16, line 11).

means for receiving, at the merchant computer system, the digital works transmitted from the information handling system (See, e.g., Fig. 4, element 430; page 13, line 26 through page 16, line 11).

means for transmitting the received digital works from the merchant computer system to the customer computer system after the merchant computer system has received the digital works (See, e.g., Fig. 5, element 580; page 16, line 12 through page 17).

Claims 60 and 72 include the following means plus function limitation:

means for receiving, from one or more of the providers a royalty rate corresponding to one or more of the digital works (See, e.g., Fig. 3, element 330; page 11, line 19 through page 13, line 24).

means for calculating an amount due from the merchant based upon the royalty rate of the digital works transmitted to the merchant computer system (See, e.g., Fig. 4, element 455; page 13, line 26 through page 16, line 11).

means for billing the merchant the amount due (See, e.g., Fig. 2, elements 236, 276, and 216; page 8, line 4 through page 11, line 18).

G. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

Claims 37-72 stand rejected as being obvious, and therefore unpatentable, over Pettitt, U.S. Patent No. 5,864,620 (hereinafter Pettitt), in view of Robinson et al., U.S. Patent No. 5,915,022 (hereinafter Robinson).

H. ARGUMENTS - CLAIMS 37-72 ARE PATENTABLE OVER PETTITT IN VIEW OF ROBINSON

<u>Group I - Claims 37, 47, 49, 59, 61 and 71</u>

Each of Appellant's independent claims includes the limitations of:

- obtaining, at a third party logging server, a plurality of digital works from a plurality of provider computer systems;
- storing the received digital works on a nonvolatile storage device accessible from the third party logging server;
- receiving, at the third party logging server, a product sale request from a merchant computer system, wherein the product sale request is received over a computer network;
- transmitting, from the third party logging server through the computer network to the merchant computer system, one or more of the digital works, wherein the merchant computer system is adapted to provide the transmitted digital works to one or more customer computer systems; and
- recording, at the third party logging server, a sales record corresponding to the product sale request.

A key aspect of Appellant's claimed invention is that the digital works are *received by the third party logging server* from providers, *stored on the third party logging server's nonvolatile storage device*, and *transmitted by the third party logging server to merchants* that, in turn, send (i.e. sell) the digital works to customers.

In contrast, Pettitt and Robinson simply do not teach or suggest performing these activities. Instead, the process taught by Pettitt does not even begin until the customer already has a copy of the software. Pettitt states, "Referring to both FIGS. 2 and 4, the process begins

once the user 18 obtains a copy of the digital software container…" (col. 4, lines 8-10). In the final Office Action, the Examiner states that in Pettitt, the interaction between the author, distributor, and reseller also occurs prior to a user obtaining content (final Office Action, page 3, lines 3-8). Appellant does not agree. Of course Pettitt includes the step of the user obtaining the software from somewhere. However, the whole point of Pettitt is to allow a user to unlock, i.e. use, software that he has *already* obtained. The "distribution" disclosed by Pettitt includes a "means for receiving a request from the user to use the software" (col. 2, lines 12-13). This request is satisfied by a license clearing house sending an authentication certificate and a master key to the user (col. 2, lines 19-24). In Pettitt, it is not important to determine from where or whom the user obtains the software. Pettitt teaches that either the author, distributor, or reseller provides the software to the user (col. 3, lines 37-48 and lines 57-67). Pettitt is concerned with what happens after the user obtains the software, i.e. the user being able to unlock and actually use the software that he has already obtained.

Pettitt teaches the use of at least two entities that take the place of Appellant's third party logging server. Pettitt teaches use of a "license clearing house" system which "ensures the integrity and controls the usage rights of the software" (col. 3, lines 28-35). However, Pettitt does not teach or suggest storing the digital works (software) with the license clearing house. Instead, Pettitt teaches that "the author 12 distributes the software 13 for public availability" and that the author may distribute the software to a "distributor" who, in turn, may distribute the software to a "reseller." (col. 3, lines 49-56). Nowhere does Pettitt teach or suggest using a computer system, such as Appellant's third party logging server, to store digital works received from providers on its nonvolatile storage and transmit the digital works to merchants that, in turn, distribute the digital works to end users. In particular, Pettitt does not teach or suggest:

- obtaining, *at a third party logging server*, a plurality of digital works from a plurality of provider computer systems;
- storing the received digital works on a nonvolatile storage device *accessible from the third party logging server*;
- receiving, *at the third party logging server*, a product sale request from a merchant computer system, wherein the product sale request is received over a computer network;

- transmitting, *from the third party logging server* through the computer network to the merchant computer system, one or more of the digital works, wherein the merchant computer system is adapted to provide the transmitted digital works to one or more customer computer systems; and

- recording, *at the third party logging server*, a sales record corresponding to the product sale request.

Even assuming, for the sake of argument, that Pettitt's license clearing house is somehow analogous to Appellant's third party logging server, the license clearing house disclosed by Pettitt does not teach or suggest all the elements in independent claims 1, 49, and 61. At a minimum, Pettitt's license clearing house does not obtain or store digital works. Pettitt's license clearing house receives an "authorization request" from a user in order for the user to "unlock" software that the user has already obtained (col. 4, lines 8-13). Pettitt's license clearing house does not receive a "product sales request" as taught and claimed by Appellant. Further, Pettitt's license clearing house does not transmit the actual product. As previously discussed, Pettitt's license clearing house transmits an authentication certificate and a master key, not an actual software product (i.e. digital work), to the user. Finally, Pettitt does not teach or suggest recording a digital sales record, as taught and claimed by Appellant.

The Examiner admits that Pettitt does not teach implementing its license clearing house system on a computer network and that Pettitt does not teach or suggest recording a sales record at a server (see final Office Action, page 8, lines 1-11). These two aspects are important elements of Appellant's invention, yet the Examiner admits that the primary reference teaches or suggests neither. The Examiner asserts that Robinson teaches "a system for purchasing goods and services of a computer network comprising a merchant server for generating and storing digital sales receipts." (see final Office Action, page 8, lines 3-6). Appellant asserts that the Examiner's reliance on Robinson is misplaced.

Robinson teaches digital receipts between a customer and a merchant computer (col. 2, lines 32-41). Appellant does not simply claim the transaction between the customer and merchant. Instead, Appellant claims that the computer system that receives the digital works from the third party logging server, i.e. the merchant computer system, is "adapted to provide the

transmitted digital works to one or more customer computer systems." The digital sales receipts taught by Robinson are incongruent to the sales records recorded by Appellant's claimed third party logging server. In particular, the receipts taught by Robinson are specifically between an end user (customer) and a merchant (see abstract, Figures 1-6c). Robinson teaches a way to provide an encrypted receipt that cannot be tampered with or altered. Robinson teaches providing a digital receipt to a customer that the customer then presents when performing a transaction with the merchant (see Figure 5). The merchant receives the digital receipt from the customer and ensures that the receipt has not been altered using digital encryption / signature technology. The merchant can then verify that the digital receipt is valid (i.e. has not yet expired, etc.).

Appellant, on the other hand, claims recording at the third party logging server a transaction between the third party logging server and a merchant. Appellant does not claim using digitally signed receipts evidencing a transaction between a merchant and the customer. Moreover, neither Pettitt nor Robinson teach or suggest recording or keeping track of transactions between a distributing computer system, such as Appellant's third party logging server, and a merchant computer system. The Examiner admits that Pettitt is devoid of this teaching and, as described above, Robinson merely teaches a way of providing digital receipts from merchants to customers. Neither Pettitt nor Robinson teaches or suggests keeping track of or recording the number of sales between a distributing computer system and a merchant computer system, where the merchant computer system further provides the products (i.e. digital works, software, etc). to customers.

Appellant notes the Examiner's misuse of Appellant's claimed terms. The Examiner contends that Pettitt's license clearing house performs some aspects of registering software similar to that claimed by Appellant, and then uses Pettitt's "Distributors" and "Resellers," taught by Pettitt as being separate and distinct from Pettitt's license clearing house, as teaching Appellant's "storing" and "transmitting" steps. Finally, the Examiner contends that Robinson teaches Appellant's recordation of a sales record between the third party logging server and the merchant, when instead Robinson only teaches recording a transaction between the merchant and a customer.

Appellant asserts that one novel aspect of Appellant's invention that sets it apart from the teachings of Pettitt and Robinson is the "one stop shopping" that is facilitated by the third party logging server to both the providers of digital content as well as to merchants that desire to sell such digital content to end users. Using Appellant's claimed invention, *the third party logging server* obtains digital works from providers (synonymous with Pettitt's "authors") and stores the digital works on a nonvolatile storage device *accessible from the third party logging server.* Merchants that desire to sell such digital works request the work *from the third party logging server* and the requested digital works are transmitted *by the third party logging server* to the merchants, where the merchant is adapted to provide the digital works to customers. Finally, Appellant's *third party logging server* keeps track of the merchant's transaction, without needing to keep track of each individual customer transaction.

Pettitt, on the other hand, teaches a myriad of different entities involved in providing software to end users, but is primarily concerned with how the end user receives encryption keys for deciphering the software package. Pettitt, as described above, teaches that either an author, a distributor, or a reseller, provides an encrypted software package to the end user. Separately, Pettitt teaches that the author provides encryption keys needed to open the software to the license clearing house. Pettitt then teaches that the customer receives, either directly or indirectly, the necessary keys from the license clearing house before being able to use the software. While Pettitt teaches that the license clearing house "ensures the integrity and controls the usage rights of the software" (col. 3, lines 28-36), Pettitt never teaches or suggests having the license clearing house actually *store* the software being distributed, nor does the license clearing house provide the software to the distributor, reseller, or any end users. Instead, Pettitt teaches using the license clearing house to manage the encryption keys needed by the end user to open the encrypted software package. Pettitt also does not teach or suggest keeping track of any payment information. Specifically, Appellant claims that the third party logging server records a sales record corresponding with the transmission of the digital works by the third party logging server to the merchant.

Claim 47 (and similarly, claims 59 and 71) adds the limitations of:

- sending the product sale request from the merchant computer system to the third party logging server in response to a customer requesting to purchase the digital works from the merchant computer system;

- receiving, at the merchant computer system, the digital works transmitted from the third party logging server; and

- transmitting the received digital works from the merchant computer system to the customer computer system after the merchant computer system has received the digital works.

In the rejection of claims 47, 59, and 71, the Examiner now appears to be treating the distributor discussed in Pettitt as analogous to the third party logging server that is taught and claimed by Appellant (see final Office Action, page 5, lines 6-12). Once again, Appellant would like to point out the Examiner's misuse of Appellant's claimed terms. The Examiner is not clear as to which entity in Pettitt, i.e. the license clearing house, the distributors, or the resellers, the Examiner considers analogous to Appellant's third party logging server. Appellant emphatically asserts that there is no teaching or suggestion in Pettitt that is analogous to Appellant's third party logging server, which transmits digital works to a merchant computer system for further distribution to a customer, as taught and claimed by Appellant in claims 37, 47, 49, 59, 61, and 71.

For the reasons set forth above, Appellant respectfully submits that claims 37, 47, 49, 59, 61, and 71 are patentable over Pettitt in view of Robinson.

<u>Group II – Claims 38, 39, 50, 51, 62, and 63</u>

Claim 38 (and similarly, claims 50 and 62) adds the limitation of "registering a merchant corresponding to the merchant computer system with the third party logging server, the registration including an agreement with the merchant regarding use of the digital works and payment for receipt of the digital works, wherein the registration occurs before the receiving, transmitting, and recording." The Examiner asserts that Pettitt teaches "registering a merchant, and a merchant entering into an agreement with the third party." (see final Office Action, page 7, lines 9-10). Appellant was unable to find any such registering, including an agreement, in the cited lines of Pettitt (i.e. col. 4, lines 1-5). The cited section of Pettitt merely notes that "the

public encryption keys" of the distributor and reseller are registered with the license clearing house. The license clearing house may also obtain public key certificates from an external authority. Registering a public encryption key is simply not analogous to "registering a merchant" with the third party logging server, as taught and claimed by Appellant. Further, Pettitt does not mention any use of "an agreement with the merchant regarding use of the digital works and payment for receipt of the digital works" as taught and claimed by Appellant. The Examiner contends that the agreement between the merchant and the third party logging server is "non-functional descriptive material" (see final Office Action, page 3, lines 9-12). Appellant disagrees. The "agreement" claimed by Appellant further defines and modifies what is meant by "registering a merchant." According to the Manual of Patent Examining Procedure § 2143.03, "[t]o establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art," (citing *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974)). This section further provides that "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art," (citing *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)). Appellant asserts that all the claim limitations, including the limitation that the registration includes "an agreement with the merchant regarding use of the digital works and payment for receipt of the digital works," must be considered when determining whether the claims are non-obvious in view of the prior art.

Nowhere in the cited sections of Pettitt does Pettitt teach or suggest "registering a merchant corresponding to the merchant computer system with the third party logging server, the registration including an agreement with the merchant regarding use of the digital works and payment for receipt of the digital works, wherein the registration occurs before the receiving, transmitting, and recording." Indeed, because Pettitt relies upon encryption and various entities to ensure that the customer pays for the software, there is no reason why Pettitt would teach using such a "registering" procedure as taught and claimed by Appellant.

Regarding claim 39 (and similarly, claims 51 and 63), Appellant claims, in addition to the registering step claimed in claim 38, "providing the merchant computer system with an authentication mechanism in response to the registration of the merchant; and authenticating the merchant computer system using the authentication mechanism prior to the transmission of digital works to the merchant computer system from the third party logging server." The

Examiner contends that Pettitt teaches "providing the merchant with an authentication mechanism and authenticating the merchant. (figure 4, column 4, lines 6-62)." (see final Office Action, page 7, lines 11-12). Appellant disagrees with this contention. Pettitt does not teach or suggest *authenticating merchants*, but instead teaches *authorizing users*. Pettitt teaches that the "*user* 18 must first submit an authorization request" and that "the reseller 17 performs a payment validation and optionally authorizes the transaction in step 64." (Figure 4; col. 4, lines 6-25).

Further, Pettitt does not teach providing the digital works (software) from the license clearing house to any other party. As described above, Pettitt specifically teaches that the license clearing house does not store or distribute the software and, instead, the license clearing house is used to provide encryption keys to the customer after the customer has paid for the software. Therefore, Pettitt does not teach or suggest "authenticating the merchant ... prior to the transmission of digital works *to the merchant computer system from the third party logging server*," as taught and claimed by Appellant.

For the reasons set forth above, Appellant respectfully submits that claims 38, 39, 50, 51, 62, and 63 are patentable over Pettitt in view of Robinson.

<u>Group III – Claims 40-42, 52-54, and 64-66</u>

Claim 40 (and similarly, claims 52 and 64) adds the limitations of:

- sending a plug-in software module for installation on the merchant computer system, the plug-in software module adapted to notify the third party logging server whenever a customer purchases one of the digital works from the merchant computer system; and

- receiving, from the merchant computer system, a notification that one or more of the digital works has been purchased from the merchant computer system, wherein the recording of the sales record corresponding to the product sale request is performed in response to receiving the notification.

Neither Pettitt nor Robinson, taken alone or in combination with one another, teach or suggest the limitations set forth in claim 40. The Examiner does not contend that Pettitt or Robinson teach such steps. Instead, the Examiner takes Official Notice that the existence and functionality of plug-ins are well known to those of ordinary skill (see final Office Action, page

4, line 20 through page 5, line 5). Appellant asserts that, even if the use of a plug-in is known to those of ordinary skill in the art, it is not known to send a plug-in module to a merchant computer system to keep track of purchases, at the merchant site, of digital works by customers of the on-line merchant. Furthermore, as claimed by Appellant, the third party logging server receives notifications from merchants resulting from the sale of digital works from the merchant's web site. Appellant asserts that such use of a plug-in software module is not "well known to those of ordinary skill." Indeed, taking the Examiner's logic to an extreme, Official Notice could always be taken that "software" is well known to those skilled in the art, and thus avoid examining the claims of any software patent application.

The section of Pettitt cited by the Examiner (Figure 4; col. 4, lines 4-63) also does not teach or suggest the limitations of claim 40. This section of Pettitt describes the steps taken in deciding whether to send an authentication certificate and master key to a user. There is no teaching or suggestion of any type of software module, much less a plug-in module, being sent to a merchant computer. There is no notification of any type sent to any entity "whenever a customer purchases one of the digital works from the merchant computer system" as taught and claimed by Appellants. Further, Pettitt does not teach or suggest "receiving, from the merchant computer system, a notification that one or more of the digital works has been purchased from the merchant computer system, wherein the recording of the sales record corresponding to the product sale request is performed in response to receiving the notification." Pettitt is simply not concerned with the purchase of digital works. Rather, Pettitt is concerned with the unlocking and use of software *after* it has been purchased.

Claim 41 depends upon claim 40 and adds the limitation that the notification back to the third party logging server from the merchant is performed by the plug-in software module. Again, Appellant challenges the Examiner's taking of Official Notice in rejecting Appellant's claim.

Claim 42 also depends on claim 40 and adds the limitation regarding the specific kinds of information included in the notification provided from the merchant back to the third party logging server.

For the reasons set forth above, Appellant respectfully submits that claims 40-42, 52-54, and 64-66 are patentable over Pettitt in view of Robinson.

<u>Group IV – Claims 43, 44, 55, 56, 67, and 68</u>

Claim 43 (and similarly, claims 55 and 67) adds the following limitations:

- identifying a royalty rate corresponding to the digital work identifiers;

- calculating a purchase amount based upon the royalty rate; and

- including the purchase amount in the sales record.

The Examiner contends that Pettitt teaches these limitations, citing col. 4, lines 15-20 and col. 5, lines 28-36 of Pettitt (see final Office Action, page 7, lines 16-19). Appellant asserts that Pettitt does not teach or suggest identifying a royalty rate, calculating a purchase amount, or including the purchase amount in the sales record. First of all, Appellant notes that the Examiner *admitted* that Pettitt does not teach or suggest recording a sales record (see final Office Action, page 8, lines 1-3), and therefore relied upon Robinson for such recordation. At col. 4, lines 15-20, Pettitt merely teaches "some form of payment (e.g. a credit card number)" and does not teach or suggest a royalty rate, calculating a payment amount, or recording the payment amount. At col. 5, lines 28-36, Pettitt merely teaches that "the LCH 14 also pays the author 12 his or her royalty for the transaction by debiting a distributor 16 account and transferring the amount to an author 12 account." Here Pettitt only teaches that the author gets paid a royalty, not that a payment amount is *calculated* based upon a royalty nor that the payment amount is *included in a sales record.* Appellant is at a loss to understand how the Examiner could say that Pettitt teaches including a payment amount in a sales record if the Examiner admits that Pettitt does not disclose a sales record. Nowhere does Pettitt teach or suggest identifying a royalty rate, calculating a purchase amount based on the royalty rate, or including the purchase amount in the sales record. Further, the Examiner does not contend that Robinson teaches or suggests these limitations. Therefore, neither Pettitt nor Robinson, taken alone or in combination with one another, teach or suggest identifying a royalty rate corresponding to a digital work, calculating a payment amount based upon the royalty rate, and including the purchase amount in the sales record.

With respect to the limitations added in claim 44 (and similarly, claims 56 and 68), Appellant asserts that Pettitt does not teach or suggest preparing a billing statement that includes

the sales record or providing the billing statement to the merchant. The Examiner contends that Pettitt "discloses a third party facilitating the exchange of payment between provider and merchant for services rendered in the sale of a digital work to a user" citing col. 5, lines 29-36 of Pettitt (see final Office Action, page 8, lines 6-11). The cited section of Pettitt merely teaches that the license clearing house pays the author and debits an account corresponding to the distributor. This not the same as *preparing a billing statement* as taught and claimed by Appellant. The billing statement claimed by Appellant results from the calculated purchase amount (see claim 43) which resulted from a plug-in software module located on the merchant's computer system (see claim 40). In contrast, Pettitt does not teach or suggest how the payment amount is calculated, nor does Pettitt teach or suggest preparing a billing statement. Rather, Pettitt merely teaches transferring funds from one account to another account. The Examiner does not contend that Robinson teaches or suggests these limitations. Therefore, neither Pettitt nor Robinson, taken alone or in combination with one another, teach or suggest preparing a billing statement that resulted from identifying a royalty rate corresponding to a digital work, calculating a payment amount based upon the royalty rate, and including the purchase amount in the sales record, wherein the merchant was sent a plug-in software module for notifying the third party logging server when a customer purchased a digital work from the merchant's computer system.

For the reasons set forth above, Appellant respectfully submits that claims 43, 44, 55, 56, 67, and 68 are patentable over Pettitt in view of Robinson.

<u>Group V – Claims 45, 57, and 69</u>

Claim 45 (and similarly claims 57 and 69) adds the limitation of registering a provider with the third party logging server, where the registering includes an agreement regarding use of the digital works and payment therefore. The sections cited by the Examiner in the final Office Action (see final Office Action, page 7, lines 20-22) as teaching Appellant's claim 45 limitations (Pettitt at col./line 3/5-4/5 and col. 5, lines 28-36) merely teaches that an author of a software program registers the *identity of an encrypted software container* with the license clearing house by "identifying the key or keys used to encrypt the containers," and also registers the identities of those distributors and resellers that the author has chosen to distribute the software (col. 3, lines

57-62). This is simply not the same as the author forming an agreement with the license clearing house "regarding use of the digital works and payment for use of the digital works by merchants" as taught and claimed by Appellant. In Pettitt's system, the license clearing house is not distributing the digital works, and so certainly does not teach how the works are used, nor does it teach the royalty amount a merchant would pay to distribute the digital work. The license clearing house in Pettitt is merely concerned with the encryption keys used to unlock an encrypted container. Pettitt is not concerned with how or how much a provider may get paid from a merchant (i.e. distributor or reseller). In Pettitt, col. 5, lines 28-36, it states that the license clearing house may pay the author his or her royalty by transferring money from a distributor's account to the author's account, but Pettitt does not mention any type of *agreement* with the provider regarding the use of and payment for the digital works, as taught and claimed by Appellant.

For the reasons set forth above, Appellant respectfully submits that claims 45, 57, and 69 are patentable over Pettitt in view of Robinson.

<u>Group VI – Claims 46, 58, and 70</u>

Claim 46 (and similarly, claims 58 and 70) adds further limitations, including the following:

- identifying a set of one or more providers from the plurality of providers from which the digital works sold by the merchant were obtained;
- determining a royalty amount for each of the identified providers;
- preparing a royalty statement to the identified providers, the royalty statement including the royalty amount; and
- electronically sending the royalty statements and funds corresponding to the royalty amounts to the providers.

The sections cited by the Examiner in the final Office Action (see final Office Action, page 7, lines 16-19) as teaching Appellant's claim 46 limitations (Pettitt at col. 4, lines 15-20 and col. 5, lines 28-36) merely teach that an authorization request identifies the user and the software in question, and includes "some form of payment" and a digital signature (col. 4, lines 15-20).

The license clearing house may pay an author by transferring money from a distributor's account to an author's account (col. 5, lines 28-36). However, there is no teaching or suggestion in Pettitt regarding "determining" a royalty amount to be paid, and certainly no teaching or suggestion regarding "preparing a royalty statement" and "electronically sending the royalty statement" along with the funds to the provider. Pettitt merely discusses transferring funds from one account to another account, with no regard for how the amount to be transferred is determined. Pettitt simply transfers money, without preparing or sending a royalty statement.

For the reasons set forth above, Appellant respectfully submits that claims 46, 58, and 70 are patentable over Pettitt in view of Robinson.

<u>Group VII – Claim 48, 60, and 72</u>

Claim 48 (and similarly, claims 60 and 72) adds the limitations of:

- receiving, from one or more of the providers a royalty rate corresponding to one or more of the digital works;
- calculating an amount due from the merchant based upon the royalty rate of the digital works transmitted to the merchant computer system; and
- billing the merchant the amount due.

Appellant is unable to find any rejection of these limitations in the final Office Action. The Examiner makes a brief statement regarding billing and royalty statements, and cites Pettitt, col. 5, lines 29-36 (see final Office Action, page 8, lines 6-11). The cited section of Pettitt merely states that the license clearing house may pay an author by transferring money from a distributor's account to an author's account. Appellant is at a loss to understand how transferring money from one account to another teaches or suggests "*receiving . . . a royalty rate* corresponding to one or more of the digital works." Further, Pettitt is completely devoid of "*calculating*" an amount due from the merchant based upon the royalty rate of the digital works transmitted to the merchant computer system." Finally, although Pettitt may show *paying* the merchant, there is no indication that the license clearing house in Pettitt is responsible for "*billing* the merchant the amount due."

For the reasons set forth above, Appellant respectfully submits that claims 48, 60, and 72 are patentable over Pettitt in view of Robinson.

Conclusion

For the foregoing reasons, Appellant submits that claims 37-72 are patentable over Pettitt in view of Robinson. Accordingly, Appellant respectfully requests that the Examiner's claim rejections be reversed and claims 37-72 be allowed.

Respectfully submitted,

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I. APPENDIX OF CLAIMS

37. A computer implemented method comprising:

    obtaining, at a third party logging server, a plurality of digital works from a plurality of provider computer systems;

    storing the received digital works on a nonvolatile storage device accessible from the third party logging server;

    receiving, at the third party logging server, a product sale request from a merchant computer system, wherein the product sale request is received over a computer network;

    transmitting, from the third party logging server through the computer network to the merchant computer system, one or more of the digital works, wherein the merchant computer system is adapted to provide the transmitted digital works to one or more customer computer systems; and

    recording, at the third party logging server, a sales record corresponding to the product sale request.

38. The computer implemented method of claim 37 further comprising:

    registering a merchant corresponding to the merchant computer system with the third party logging server, the registration including an agreement with the merchant regarding use of the digital works and payment for receipt of the digital works, wherein the registration occurs before the receiving, transmitting, and recording.

39. The computer implemented method of claim 38 further comprising:

    providing the merchant computer system with an authentication mechanism in response to the registration of the merchant; and

    authenticating the merchant computer system using the authentication mechanism prior to the transmission of digital works to the merchant computer system from the third party logging server.

40. The computer implemented method of claim 38 further comprising:

sending a plug-in software module for installation on the merchant computer system, the plug-in software module adapted to notify the third party logging server whenever a customer purchases one of the digital works from the merchant computer system; and

receiving, from the merchant computer system, a notification that one or more of the digital works has been purchased from the merchant computer system, wherein the recording of the sales record corresponding to the product sale request is performed in response to receiving the notification.

41. The computer implemented method of claim 40 wherein the notification is sent to the third party logging server over the computer network by the plug-in software module installed at the merchant computer system.

42. The computer implemented method of claim 40 wherein the notification includes one or more digital work identifiers that correspond to the digital works that have been purchased from the merchant computer system and a merchant identifier that identifies the merchant.

43. The computer implemented method of claim 42 wherein the recording further comprises:
identifying a royalty rate corresponding to the digital work identifiers;
calculating a purchase amount based upon the royalty rate; and
including the purchase amount in the sales record.

44. The computer implemented method of claim 43 further comprising:
preparing a billing statement that includes the sales record; and
providing the billing statement to the merchant.

45. The computer implemented method of claim 44 further comprising:
for each of the provider computer systems, registering a provider corresponding to the provider computer system with the third party logging server, the registration including an agreement with the provider regarding use of the digital works and payment for use of the digital works by merchants, wherein the registration occurs before the obtaining and the storing.

46. The computer implemented method of claim 45 further comprising:

    identifying a set of one or more providers from the plurality of providers from which the digital works sold by the merchant were obtained;

    determining a royalty amount for each of the identified providers;

    preparing a royalty statement to the identified providers, the royalty statement including the royalty amount; and

    electronically sending the royalty statements and funds corresponding to the royalty amounts to the providers.

47. The computer implemented method of claim 37 further comprising:

    sending the product sale request from the merchant computer system to the third party logging server in response to a customer requesting to purchase the digital works from the merchant computer system;

    receiving, at the merchant computer system, the digital works transmitted from the third party logging server; and

    transmitting the received digital works from the merchant computer system to the customer computer system after the merchant computer system has received the digital works.

48. The computer implemented method of claim 37 further comprising:

    receiving, from one or more of the providers a royalty rate corresponding to one or more of the digital works;

    calculating an amount due from the merchant based upon the royalty rate of the digital works transmitted to the merchant computer system; and

    billing the merchant the amount due.

49. An information handling system comprising:

    one or more processors;

    a memory accessible by the processors;

    a network interface connecting the information handling system to a computer network;

    a nonvolatile storage device accessible by the processors; and

    a logging tool, the logging tool including:

means for obtaining, at the information handling system, a plurality of digital

works from a plurality of provider computer systems;

means for storing the received digital works on the nonvolatile storage device;

means for receiving, at the information handling system, a product sale request

from a merchant computer system, wherein the product sale request is

received over a computer;

means for transmitting, from the information handling system through the

computer network to the merchant computer system, one or more of the

digital works, wherein the merchant computer system is adapted to

provide the transmitted digital works to one or more customer computer

systems; and

means for recording, on the nonvolatile storage device, a sales record

corresponding to the product sale request.

50. The information handling system of claim 49 further comprising:

means for registering a merchant corresponding to the merchant computer system with

the information handling system, the registration including an agreement with the

merchant regarding use of the digital works and payment for receipt of the digital

works, wherein the registration occurs before the performance of the means for

receiving, the means for transmitting, and the means for recording.

51. The information handling system of claim 50 further comprising:

means for providing the merchant computer system with an authentication mechanism in

response to the registration of the merchant; and

means for authenticating the merchant computer system using the authentication

mechanism prior to the transmission of digital works to the merchant computer

system from the information handling system.

52. The information handling system of claim 50 further comprising:

means for sending a plug-in software module for installation on the merchant computer

system, the plug-in software module adapted to notify the information handling

system whenever a customer purchases one of the digital works from the merchant computer system; and

means for receiving, from the merchant computer system, a notification that one or more of the digital works has been purchased from the merchant computer system, wherein the means for recording of the sales record corresponding to the product sale request is performed in response to receiving the notification.

53. The information handling system of claim 52 wherein the notification is sent to the third party logging server over the computer network by the plug-in software module installed at the merchant computer system.

54. The information handling system of claim 52 wherein the notification includes one or more digital work identifiers that correspond to the digital works that have been purchased from the merchant computer system and a merchant identifier that identifies the merchant.

55. The information handling system of claim 54 wherein the means for recording further comprises:

means for identifying a royalty rate corresponding to the digital work identifiers;

means for calculating a purchase amount based upon the royalty rate; and

means for including the purchase amount in the sales record.

56. The information handling system of claim 55 further comprising:

means for preparing a billing statement that includes the sales record; and

means for providing the billing statement to the merchant.

57. The information handling system of claim 56 further comprising:

for each of the provider computer systems, means for registering a provider corresponding to the provider computer system with the information handling system, the registration including an agreement with the provider regarding use of the digital works and payment for use of the digital works by merchants, wherein the registration occurs before the performance of the means for obtaining and the means for storing.

58. The information handling system of claim 57 further comprising:

    means for identifying a set of one or more providers from the plurality of providers from which the digital works sold by the merchant were obtained;

    means for determining a royalty amount for each of the identified providers;

    means for preparing a royalty statement to the identified providers, the royalty statement including the royalty amount; and

    means for electronically sending the royalty statements and funds corresponding to the royalty amounts to the providers.

59. The information handling system of claim 49 further comprising:

    means for sending the product sale request from the merchant computer system to the information handling system in response to a customer requesting to purchase the digital works from the merchant computer system;

    means for receiving, at the merchant computer system, the digital works transmitted from the information handling system; and

    means for transmitting the received digital works from the merchant computer system to the customer computer system after the merchant computer system has received the digital works.

60. The information handling system of claim 49 further comprising:

    means for receiving, from one or more of the providers a royalty rate corresponding to one or more of the digital works;

    means for calculating an amount due from the merchant based upon the royalty rate of the digital works transmitted to the merchant computer system; and

    means for billing the merchant the amount due.

61. A computer program product stored on a computer operable medium comprising:

    means for obtaining, at a third party logging server, a plurality of digital works from a plurality of provider computer systems;

    means for storing the received digital works on a nonvolatile storage device accessible from the third party logging server;

means for receiving, at the third party logging server, a product sale request from a

merchant computer system, wherein the product sale request is received over a

computer network;

means for transmitting, from the third party logging server through the computer network

to the merchant computer system, one or more of the digital works, wherein the

merchant computer system is adapted to provide the transmitted digital works to

one or more customer computer systems; and

means for recording, at the third party logging server, a sales record corresponding to the

product sale request.

62. The computer program product of claim 61 further comprising:

means for means for registering a merchant corresponding to the merchant computer

system with the third party logging server, the registration including an agreement

with the merchant regarding use of the digital works and payment for receipt of

the digital works, wherein the registration occurs before the means for receiving,

the means for transmitting, and the means for recording.

63. The computer program product of claim 62 further comprising:

means for providing the merchant computer system with an authentication mechanism in

response to the registration of the merchant; and

means for authenticating the merchant computer system using the authentication

mechanism prior to the transmission of digital works to the merchant computer

system from the third party logging server.

64. The computer program product of claim 62 further comprising:

means for sending a plug-in software module for installation on the merchant computer

system, the plug-in software module adapted to notify the third party logging

server whenever a customer purchases one of the digital works from the merchant

computer system; and

means for receiving, from the merchant computer system, a notification that one or more

of the digital works has been purchased from the merchant computer system,

wherein the means for recording of the sales record corresponding to the product sale request is performed in response to receiving the notification.

65. The computer program product of claim 64 wherein the notification is sent to the third party logging server over the computer network by the plug-in software module installed at the merchant computer system.

66. The computer program product of claim 64 wherein the notification includes one or more digital work identifiers that correspond to the digital works that have been purchased from the merchant computer system and a merchant identifier that identifies the merchant.

67. The computer program product of claim 66 wherein the means for recording further comprises:

means for identifying a royalty rate corresponding to the digital work identifiers;

means for calculating a purchase amount based upon the royalty rate; and

means for including the purchase amount in the sales record.

68. The computer program product of claim 67 further comprising:

preparing a billing statement that includes the sales record; and

providing the billing statement to the merchant.

69. The computer program product of claim 68 further comprising:

for each of the provider computer systems, means for registering a provider corresponding to the provider computer system with the third party logging server, the registration including an agreement with the provider regarding use of the digital works and payment for use of the digital works by merchants, wherein the registration occurs before the performance of the means for obtaining and the means for storing.

70. The computer program product of claim 69 further comprising:

means for identifying a set of one or more providers from the plurality of providers from which the digital works sold by the merchant were obtained;

means for determining a royalty amount for each of the identified providers;

means for preparing a royalty statement to the identified providers, the royalty statement including the royalty amount; and

means for electronically sending the royalty statements and funds corresponding to the royalty amounts to the providers.

71. The computer program product of claim 61 further comprising:

means for sending the product sale request from the merchant computer system to the third party logging server in response to a customer requesting to purchase the digital works from the merchant computer system;

means for receiving, at the merchant computer system, the digital works transmitted from the third party logging server; and

means for transmitting the received digital works from the merchant computer system to the customer computer system after the merchant computer system has received the digital works.

72. The computer program product of claim 61 further comprising:

means for receiving, from one or more of the providers a royalty rate corresponding to one or more of the digital works;

means for calculating an amount due from the merchant based upon the royalty rate of the digital works transmitted to the merchant computer system; and

means for billing the merchant the amount due.

J. EVIDENCE APPENDIX

Not applicable.

K. RELATED PROCEEDINGS APPENDIX

Not applicable.